

By Messrs. Tarr of Gloucester and McIntyre of New Bedford, petition of Bruce E. Tarr and Joseph B. McIntyre for legislation to authorize special obligation bonds of the Commonwealth for improvement to the State Pier in the city of Gloucester. State Administration.

**The Commonwealth of Massachusetts**

In the Year One Thousand Nine Hundred and Ninety-Two.

AN ACT AUTHORIZING SPECIAL OBLIGATION BONDS OF THE COMMONWEALTH TO IMPROVE THE GLOUCESTER STATE PIER.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Section two of chapter seven hundred and forty  
2 of the acts of nineteen hundred and eighty-one is hereby amended  
3 by striking out the paragraph containing the definition of "bonds"  
4 and "notes."

1 SECTION 2. Chapter seven hundred and forty of the acts of  
2 nineteen hundred and eighty-one, as amended by chapter five  
3 hundred and thirty-seven of the acts of nineteen hundred and  
4 eighty-two, is hereby further amended by adding after section ten  
5 thereof the following section: —

6 Section 11. The division of waterways, within the department  
7 of environmental protection, is hereby authorized and directed to  
8 expend, from the proceeds of bonds authorized by this section,  
9 a sum not exceeding five million dollars, to pay the cost of projects  
10 for the improvement of the state pier in Gloucester, as authorized  
11 by section five of this act, the expenses of issuing the bonds  
12 authorized by this section, including without limitation all costs  
13 and fees incidental thereto, and interest on said bonds for a period  
14 not to exceed three years.

15 To meet the expenditures necessary in carrying out the  
16 provisions of this section, the state treasurer shall, upon request  
17 of the governor, issue and sell bonds of the commonwealth to an

18 amount to be specified by the governor from time to time, but  
19 not exceeding, in the aggregate, the sum of five million dollars.  
20 All bonds issued by the commonwealth as aforesaid shall be  
21 designated on their face, Gloucester State Pier Revenue Bonds,  
22 and shall be issued for such maximum term, not exceeding twenty  
23 years, as the governor may recommend to the general court  
24 pursuant to Section 3 of Article LXII of the Amendments to the  
25 Constitution of the Commonwealth. Section fifty-three of chapter  
26 twenty-nine of the General Laws shall not apply to the sale of such  
27 bonds. In anticipation of the receipt of proceeds of any such  
28 bonds, the state treasurer may issue notes and renewals thereof  
29 for terms not to exceed three years, including any such renewals.

30 Bonds authorized by this section shall be special obligations of  
31 the commonwealth payable solely from revenues received or to  
32 be received by the division pursuant to section five of this act.  
33 Notwithstanding the provisions of any general or special law to  
34 the contrary, including without limitation section sixty A of  
35 chapter twenty-nine of the General Laws, such bonds shall not  
36 be general obligations of the commonwealth. Such bonds shall  
37 be issued in such manner and on such terms and conditions as  
38 the state treasurer may determine in accordance with the  
39 provisions of this section and, to the extent not inconsistent with  
40 the provisions hereof, provisions of general law for the issuance  
41 of bonds of the commonwealth.

42 Such bonds may be secured by a trust agreement entered into  
43 by the state treasurer, with the approval of the governor, on behalf  
44 of the commonwealth, which trust agreement may pledge or assign  
45 all or any part of the revenues received or to be received by the  
46 division pursuant to section five of this act and the division's rights  
47 to receive the same, whether existing or coming into existence and  
48 whether held or thereafter acquired, and the proceeds thereof. The  
49 state treasurer is also authorized, with the approval of the  
50 governor, to enter into additional security, insurance or other  
51 forms of credit enhancement which may be secured by the  
52 aforesaid revenues on a parity or subordinate basis with the bonds.  
53 A pledge in any such trust agreement or credit enhancement  
54 agreement shall be valid and binding from the time such pledge  
55 shall be made without any physical delivery or further act, and

56 the lien of such pledge shall be valid and binding as against all  
57 parties having claims of any kind in tort, contract or otherwise,  
58 irrespective of whether such parties have notice thereof. Any such  
59 pledge shall be perfected by filing of the trust agreement or credit  
60 enhancement agreement in the records of the state treasurer, and  
61 no filing need be made under chapter one hundred and six of the  
62 General Laws. Any such trust agreement or credit enhancement  
63 agreement may establish provisions defining defaults and  
64 establishing remedies and other matters relating to the rights and  
65 security of the holders of the bonds or other secured parties as  
66 determined by the state treasurer, including provisions relating to  
67 the establishment of reserves, the issuance of additional or  
68 refunding bonds, whether or not secured on a parity basis, the  
69 application of receipts, moneys or funds pledged pursuant to such  
70 agreement and other matters deemed necessary or desirable by  
71 the state treasurer for the security of such bonds, and may also  
72 regulate the custody, investment and application of moneys.

73 Any such bonds shall be deemed to be investment securities  
74 under said chapter one hundred and six, shall be securities in  
75 which any public officer, fiduciary, insurance company, financial  
76 institution or investment company may properly invest funds and  
77 shall be securities which may be deposited with any public  
78 custodian for any purpose for which the deposit of bonds is  
79 authorized by law.

80 Any such bonds, their transfer and the income therefrom,  
81 including profit on the sale thereof, shall at all times be exempt  
82 from taxation by and within the commonwealth.

83 The provisions hereof relating to bonds shall also be applicable  
84 to the issuance of notes insofar as such provisions may be  
85 appropriate therefor.

